

TERRENI

LAW FIRM, LLC

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May 21, 2018

The Honorable Jocelyn G. Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Docket 2017-292-WS. Application of Carolina Water Service, Incorporated for Approval of an Increase in Its Rates for Water and Sewer Services.

Dear Ms. Boyd:

Carolina Waters Service, Inc. ("CWS") and the Office of Regulatory Staff ("ORS") have determined that a correction to the rates ordered by the Commission in Order No. 2018-345 is necessary.

The change is due to a correction in the Order's *pro-forma* estimated Uncollectible Accounts calculation. Each of the territories (Water Service Territory 1, Water Service Territory 2 and Sewer Service Territory) were impacted so there is a change to each of the rates.

The error occurred because the ORS's adjustment (no. 41) for uncollectible accounts -- which CWS did not contest -- increased when the Commission adopted a revenue requirement greater than proposed by ORS. CWS reconciliation of the ORS's adjustment when it calculated the rates which accompanied the company's proposed order did not capture its entire effect.

The overall net impact of the change is a minor reduction to direct revenues received through rates of \$8,662, which CWS is instead expected to recover through uncollectible accounts. The adjusted total increase to revenues in the Order should be \$2,936,395 instead of \$2,936,437, or a reduction of \$42 per year.

I have attached a revised "Exhibit 1" with a redlined version showing changes, and a revised redlined page 33 of Order 2018-345 for the Commission's consideration. The ORS agrees that the revisions are consistent with the Commission's ruling.

The Hon. Jocelyn G. Boyd
Chief Clerk and Administrator
May 21, 2018
Page 2 of 2

We apologize for any inconvenience caused by this error.

With best wishes, I am,

Sincerely yours,

TERRENI
LAW FIRM, LLC

Digitally signed by Charles L.A. Terreni
DN: cn=Charles L.A. Terreni, o=Charles
L.A. Terreni, ou=United States in US
in Terreni Law Firm, LLC
c=Charles Terreni, email=charles@terreni.com
Reason: I am the author of this document
Location: Columbia, SC
Date: 2018-05-21 17:25:04-00

Charles L.A. Terreni

Enclosures (3)

c: Jeffrey M. Nelson, Esq.
Florence P. Belser, Esq.
Laura P. Valtorta, Esq.
Mr. James S. Knowlton
Scott Elliott, Esq.
Catherine E. Heigel, Esq.

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

WATER

Service Territory 1

Monthly Charges - Water Supply Customers Only

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Proposed</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$14.64 per unit	\$14.38 per unit
Residential Commodity Charge	\$5.69 per 1,000 gal. or 134 cft.	\$5.59 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size		
5/8" meter *	\$ 14.64 per unit	\$ 14.38 per unit
3/4" meter	\$ 14.64 per unit	\$ 14.38 per unit
1" meter	\$ 38.10 per unit	\$ 37.43 per unit
1.5" meter	\$ 76.21 per unit	\$ 74.86 per unit
2" meter	\$ 121.93 per unit	\$ 119.78 per unit
3" meter	\$ 228.63 per unit	\$ 224.59 per unit
4" meter	\$ 381.16 per unit	\$ 374.42 per unit
8" meter	\$1,171.21 per unit	\$1,150.51 per unit
Commercial Commodity Charge	\$5.69 per 1,000 gal. or 134 cft.	\$5.59 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$14.64 per unit	\$14.38 per unit
Residential Commodity Charge	\$6.67 per 1,000 gal. or 134 cft.	\$7.55 per 1,000 gal. or 134 cft.

Corrected

Carolina Water Service, Inc.
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SCHEDULE OF PROPOSED RATES AND CHARGES

	<u>Current</u>	<u>Proposed</u>
<u>Commercial</u>		
Base Facilities Charge		
by meter size		
5/8" meter *	\$ 14.64 per unit	\$ 14.38 per unit
3/4" meter	\$ 14.64 per unit	\$ 14.38 per unit
1" meter	\$ 38.10 per unit	\$ 37.43 per unit
1.5" meter	\$ 76.21 per unit	\$ 74.86 per unit
2" meter	\$ 121.93 per unit	\$ 119.78 per unit
3" meter	\$ 228.63 per unit	\$ 224.59 per unit
4" meter	\$ 381.16 per unit	\$ 374.42 per unit
8" meter	\$1,171.21 per unit	\$1,150.51 per unit
Commercial Commodity Charge		
	\$6.67 per 1,000 gal. or 134 cft.	\$7.55 per 1,000 gal. or 134 cft/

***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

Corrected

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

Service Territory 2**Monthly Charges - Water Supply Customers**

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Proposed</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$24.72 per unit	\$28.59 per unit
Residential Commodity Charge	\$ 8.88 per 1,000 gal. or 134 cft.	\$10.27 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size		
5/8" meter*	\$ 24.72 per unit	\$ 28.59 per unit
1" meter	\$ 68.81 per unit	\$ 79.59 per unit
1.5" meter	\$ 126.45 per unit	\$146.27 per unit
3" meter	\$ 431.52 per unit	\$499.14 per unit
Commercial Commodity Charge	\$ 8.88 per 1,000 gal. or 134 cft.	\$10.27 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$ 24.72 per unit	\$ 28.59 per unit
Residential Commodity Charge	\$ 9.41 per 1,000 gal. or 134 cft.	\$ 11.85 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size:		
5/8" meter*	\$ 24.72 per unit	\$ 28.59 per unit
1" meter	\$ 68.81 per unit	\$ 79.59 per unit
1.5" meter	\$ 126.45 per unit	\$146.27 per unit
3" meter	\$ 431.52 per unit	\$499.14 per unit
Commercial Commodity Charge	\$ 9.41 per 1,000 gal.	\$ 11.85 per 1,000 gal.

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

or 134 cft.

or 134 cft.

***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

**WATER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES**

1. Terms and Conditions

A. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

B. Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

C. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

D. When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

E. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

F. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

Carolina Water Service, Inc.
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SCHEDULE OF PROPOSED RATES AND CHARGES

G. Cross-Connection Inspection

Any customer installing, permitting to be installed, or maintain any cross connection between the Utilities water system and any other non-public water system, sewer, or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended for time to time. Such a customer shall have such cross connection inspected by a licensed certified tester and provide to Utility a copy of written inspection report indicating the back-flow device is functioning properly and testing results submitted by the tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later June 30th of each year for required commercial customers and no later than June 30th of every other year for required residential customers. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill. If after inspection and testing by the Utility's certified tester, the back-flow device fails to function properly, the customer will be notified and given a 30 day period in which to have the back-flow device repaired or replaced with a subsequent follow-up inspection by a licensed certified tester indicating the back-flow device is functioning properly. Failure to submit a report indicating the back-flow device is functioning properly will result in discontinuation of water service to said customer until such time as a passing inspection report is received by Utility.

H. A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

I. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing water utilities.

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

2. Non-Recurring Charges

A. Water Service Connection (New connections only) - \$300 per SFE*

B. Plant Impact Fee (New connections only) - \$400 per SFE*

The Plant Capacity Fee reflects the portion of plant capacity which will be used to provide service to the new customers as authorized by Commission Rule R. 103-702.13. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing water production, treatment and/or distribution facilities that are essential to provide adequate water service to the new customer's property.

C. Water Meter Installation - 5/8 inches x 3/4 inches meter \$45.00

All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$35 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's actual cost of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

D. Customer Account Charge – (New customers only) \$30.00

A one-time fee to defray the costs of initiating service.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R.103-732.5, a reconnection fee shall be due in the amount of \$40.00 and shall be due prior to the Utility reconnecting service.

F. Tampering Charge: In the event the Utility's equipment, water mains, water lines, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

SEWER

Service Territory 1 and 2

(Former customers of Carolina Water Service, Inc., Utilities Services of SC, Inc. and United Utility Companies, Inc.)

Former Customers of Carolina Water Service, Inc.

Monthly Charges – Sewer Collection & Treatment Only

Where sewage collection and treatment are provided through facilities owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Proposed</u>
Residential - charge per single-family house, condominium, villa, or apartment unit:	\$57.58 per unit	\$65.77 per unit
Mobile Homes:	\$42.01 per unit	\$47.94 per unit
Commercial	\$57.58 per SFE*	\$65.77 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Monthly charge – Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential – per single-family house, condominium, or apartment unit	\$52.93 per unit	\$65.77 per unit
Commercial	\$52.93 per SFE*	\$65.77 per SFE*
Wholesale Service (Midlands Utility)	\$26.66 per SFE*	\$N/A per SFE*
The Village Sewer Collection	\$29.95 per SFE*	\$34.18 per SFE*

* Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

Corrected

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

SEWER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES

1. Terms and Conditions

- A. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.
- B. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

C. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

D. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

E. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving sewer system.

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

In no event will the Utility be required to construct additional sewer treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

F. A Single Family Equivalent ("SFE") shall be determined by 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service, plant impact fee and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

G. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing wastewater utilities.

2. Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for the pumping tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement as a separate item in the next regular billing to the customer and may be paid for over a one-year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

3. Non-recurring Charges

A. Sewer Service Connection (New connections only) \$300 per SFE

B. Plant Capacity Fee (New connections only) \$400 per SFE

The Plant Capacity Fee shall be computed by using South Carolina DHEC "Guide Lines for Unit Contributory Loadings to Wastewater Treatment Facilities" (1972) to determine the single family equivalency rating. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing treatment and/or collection system facilities that are essential to provide adequate treatment and disposal of the wastewater generated by the development of the new property.

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

C. Notification Fee

A fee of \$15.00 shall be charged to each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

D. Customer Account Charge - (New customers only)

\$30.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4 a reconnection fee in the amount of \$500.00 shall be due at the time the customer reconnects service. Where an elder valve has been previously installed, a reconnection fee of \$40.00 shall be charged.

F. Tampering Charge: In the event the Utility's equipment, sewage pipes, meters, curb stops, service lines, elder valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

WATER

Service Territory 1

Monthly Charges - Water Supply Customers Only

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Ordered</u> <u>Proposed</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$14.64 per unit	\$14.38 14.43 per unit
Residential Commodity Charge	\$5.69 per 1,000 gal. or 134 cft.	\$5.59 5.64 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size		
5/8" meter *	\$ 14.64 per unit	\$ 14.38 14.43 per unit
3/4" meter	\$ 14.64 per unit	\$ 14.38 14.43 per unit
1" meter	\$ 38.10 per unit	\$ 37.43 37.54 per unit
1.5" meter	\$ 76.21 per unit	\$ 74.86 75.10 per unit
2" meter	\$ 121.93 per unit	\$ 119.78 120.15 per unit
3" meter	\$ 228.63 per unit	\$ 224.59 225.29 per unit
4" meter	\$ 381.16 per unit	\$ 374.42 375.59 per unit
8" meter	\$1,171.21 per unit	\$ 1,150.51 1,154.08 per unit
Commercial Commodity Charge	\$5.69 per 1,000 gal. or 134 cft.	\$5.59 5.64 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

Residential

Base Facilities Charge per single-family house, condominium, mobile home, or apartment unit	\$14.64 per unit	\$14.38 14.43 per unit
Residential Commodity Charge	\$6.67 per 1,000 gal. or 134 cft.	\$7.55 7.57 per 1,000 gal. or 134 cft.

Corrected

Carolina Water Service, Inc.
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SCHEDULE OF PROPOSED RATES AND CHARGES

	<u>Current</u>	<u>Ordered</u> Proposed
<u>Commercial</u>		
Base Facilities Charge		
by meter size		
5/8" meter *	\$ 14.64 per unit	\$ 14.38 14.43 per unit
3/4" meter	\$ 14.64 per unit	\$ 14.38 14.43 per unit
1" meter	\$ 38.10 per unit	\$ 37.43 37.54 per unit
1.5" meter	\$ 76.21 per unit	\$ 74.86 75.10 per unit
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3" meter	\$ 228.63 per unit	\$ 224.59 225.29 per unit
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Commercial Commodity Charge		
	\$6.67 per 1,000 gal. or 134 cft.	\$ 7.55 7.57 per 1,000 gal. or 134 cft/

*A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.

Corrected

Carolina Water Service, Inc.
Docket No. 2017-292-WS
SCHEDULE OF PROPOSED RATES AND CHARGES

Service Territory 2**Monthly Charges - Water Supply Customers**

Where water is supplied by wells owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>OrderedProposed</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$24.72 per unit	\$28.59 28.62 per unit
Residential Commodity Charge	\$ 8.88 per 1,000 gal. or 134 cft.	\$10.27 10.28 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size		
5/8" meter*	\$ 24.72 per unit	\$ 28.59 28.62 per unit
1" meter	\$ 68.81 per unit	\$ 79.59 79.65 per unit
1.5" meter	\$ 126.45 per unit	\$ 146.27 146.38 per unit
3" meter	\$ 431.52 per unit	\$ 499.14 499.53 per unit
Commercial Commodity Charge	\$ 8.88 per 1,000 gal. or 134 cft.	\$10.27 10.28 per 1,000 gal. or 134 cft.

Monthly Charges - Water Distribution Customers Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$ 24.72 per unit	\$ 28.59 28.62 per unit
Residential Commodity Charge	\$ 9.41 per 1,000 gal. or 134 cft.	\$ 11.85 11.86 per 1,000 gal. or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size:		
5/8" meter*	\$ 24.72 per unit	\$ 28.59 28.62 per unit
1" meter	\$ 68.81 per unit	\$ 79.59 79.65 per unit
1.5" meter	\$ 126.45 per unit	\$ 146.27 146.38 per unit
3" meter	\$ 431.52 per unit	\$ 499.14 499.53 per unit
Commercial Commodity Charge	\$ 9.41 per 1,000 gal.	\$ 11.85 11.86 per 1,000 gal.

Carolina Water Service, Inc.
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or 134 cft.

or 134 cft.

***A "Fire Line" customer will be billed a monthly base facilities charge of a 5/8" meter or at the rate of any other meter size used as a detector.**

Carolina Water Service, Inc.
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SCHEDULE OF PROPOSED RATES AND CHARGES

WATER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES

1. Terms and Conditions

A. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

B. Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

C. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

D. When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

E. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

F. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

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G. Cross-Connection Inspection

Any customer installing, permitting to be installed, or maintain any cross connection between the Utilities water system and any other non-public water system, sewer, or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended for time to time. Such a customer shall have such cross connection inspected by a licensed certified tester and provide to Utility a copy of written inspection report indicating the back-flow device is functioning properly and testing results submitted by the tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later June 30th of each year for required commercial customers and no later than June 30th of every other year for required residential customers. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill. If after inspection and testing by the Utility's certified tester, the back-flow device fails to function properly, the customer will be notified and given a 30 day period in which to have the back-flow device repaired or replaced with a subsequent follow-up inspection by a licensed certified tester indicating the back-flow device is functioning properly. Failure to submit a report indicating the back-flow device is functioning properly will result in discontinuation of water service to said customer until such time as a passing inspection report is received by Utility.

H. A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

I. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing water utilities.

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2. Non-Recurring Charges

A. Water Service Connection (New connections only) - \$300 per SFE*

B. Plant Impact Fee (New connections only) - \$400 per SFE*

The Plant Capacity Fee reflects the portion of plant capacity which will be used to provide service to the new customers as authorized by Commission Rule R. 103-702.13. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing water production, treatment and/or distribution facilities that are essential to provide adequate water service to the new customer's property.

C. Water Meter Installation - 5/8 inches x 3/4 inches meter \$45.00

All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$35 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's actual cost of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

D. Customer Account Charge – (New customers only) \$30.00

A one-time fee to defray the costs of initiating service.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R.103-732.5, a reconnection fee shall be due in the amount of \$40.00 and shall be due prior to the Utility reconnecting service.

F. Tampering Charge: In the event the Utility's equipment, water mains, water lines, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

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SEWER

Service Territory 1 and 2

(Former customers of Carolina Water Service, Inc., Utilities Services of SC, Inc. and United Utility Companies, Inc.)

Former Customers of Carolina Water Service, Inc.

Monthly Charges – Sewer Collection & Treatment Only

Where sewage collection and treatment are provided through facilities owned and operated by the Utility, the following rates apply:

	<u>Current</u>	<u>Ordered</u> Proposed
Residential - charge per single-family house, condominium, villa, or apartment unit:	\$57.58 per unit	\$65.77 \$65.69 per unit
Mobile Homes:	\$42.01 per unit	\$47.94 per unit
Commercial	\$57.58 per SFE*	\$65.77 \$65.69 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Monthly charge – Sewer Collection Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential – per single-family house, condominium, or apartment unit	\$52.93 per unit	\$65.77 \$65.69 per unit
Commercial	\$52.93 per SFE*	\$65.77 \$65.69 per SFE*
Wholesale Service (Midlands Utility)	\$26.66 per SFE*	\$N/A per SFE*
The Village Sewer Collection	\$29.95 per SFE*	\$34.18 per SFE*

* Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

Corrected

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**SEWER SERVICE
TERMS AND CONDITIONS
AND
NON-RECURRING CHARGES**

1. Terms and Conditions

- A. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.
- B. The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

C. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

D. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

E. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving sewer system.

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In no event will the Utility be required to construct additional sewer treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

F. A Single Family Equivalent ("SFE") shall be determined by 6 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service, plant impact fee and tap fee. The Company shall have the right to request and receive water usage records from the water provider to its customers. In addition, the Company shall have the right to conduct an inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Company shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

G. The liability of the Company, its agents and employees for damages arising out of interruption of service or the failure to furnish service, whether caused by acts or omission, shall be limited to those remedies provided in the Public Service Commission's rules and regulations governing wastewater utilities.

2. **Solids Interceptor Tanks**

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. **Pumping Charge**

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for the pumping tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. **Pump Repair or Replacement Charge**

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement as a separate item in the next regular billing to the customer and may be paid for over a one-year period.

C. **Visual Inspection Port**

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

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3. Non-recurring Charges

A. Sewer Service Connection (New connections only) \$300 per SFE

B. Plant Capacity Fee (New connections only) \$400 per SFE

The Plant Capacity Fee shall be computed by using South Carolina DHEC "Guide Lines for Unit Contributory Loadings to Wastewater Treatment Facilities" (1972) to determine the single family equivalency rating. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing treatment and/or collection system facilities that are essential to provide adequate treatment and disposal of the wastewater generated by the development of the new property.

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

C. Notification Fee

A fee of \$15.00 shall be charged to each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

D. Customer Account Charge - (New customers only)

\$30.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.

E. Reconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4 a reconnection fee in the amount of \$500.00 shall be due at the time the customer reconnects service. Where an elder valve has been previously installed, a reconnection fee of \$40.00 shall be charged.

F. Tampering Charge: In the event the Utility's equipment, sewage pipes, meters, curb stops, service lines, elder valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

7) The Commission adopts and approves of a capital structure of 48.11% long-term debt and 51.89% equity; a cost of debt rate of 6.60%; and an ROE of 10.50%.

8) The approved capital structure, cost of debt rate, and ROE produce
395
additional operating revenue of \$2,936,437 consisting of a water revenue increase of
013 382
\$1,286,127 and a sewer revenue increase of \$1,650,310.

9) The approved revenues and expenses establish a fair and reasonable operating margin of 13.23%, and a return on rate base of 8.62%.

10) The schedule of rates and terms and conditions attached to this Order as Exhibit A (Order Exhibit 1) are just and reasonable and designed to achieve the Company's new revenue requirement.

IV. CONCLUSIONS OF LAW

Based upon the discussion, findings of fact and the record of the instant proceeding, the Commission makes these Conclusions of Law:

1) CWS is a public utility as defined in S.C. Code § 58-5-10(3) and is subject to the jurisdiction of this Commission.

2) The appropriate test year on which to set rates for CWS is the twelve-month period beginning September 1, 2016 and ending August 31, 2017.

3) Based on the information provided by the parties, the Commission concludes the rate setting methodology to use as a guide in determining the lawfulness of CWS's proposed rates and for fixing just and reasonable rates is return on rate base.

4) For CWS to have the opportunity to earn the 10.5% ROE, found fair and reasonable herein, CWS must be allowed additional revenues of \$2,936,437.